New foreclosure law for NPA

1692. SHRI MURLI DEORA: Will the Minister of FINANCE be pleased to state:

(a) whether the new foreclosure law will enable bank to recover only around 12 per cent of their gross non-performing assets, as over 36.4 per cent of the bad loans would remain beyond ambit of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act;

(b) if so, the fact thereof;

(c) whether the unsecured NPAs is not covered under the new law;

(d) whether secured assets against the outstanding loans below Rs. one lakh cannot be attached; and

(e) if so, what would be the percentage of NPAs and what ways and means, Government propose for their speedy recovery?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (e) Section 31 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 lists out the cases to which this Act has not been made applicable. These include loans of less than Rs. 1 lakh, loans in which security interest is created in agricultural land etc. Moreover, unsecured NPAs will also not come within the purview of this Act since it applies only to secured assets. However, even for such cases other means of recovery, such as legal action through DRT, Lok Adalats and recovery through settlement, etc. can be resorted to.

Foreclosure of UTI schemes

1693. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

(a) whether Government are planning to foreclose seven major assured returns of Unit Trust of India including the Children Growth Fund;

(b) if so, the details thereof and the reasons therefor;

.(c) whether approval of the SEBI has been received for the proposed move; and